



knowledge
wave 2003
the leadership forum

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Tena koutou

Tena koutou e huihui mai nei i raro i te powhiri o te ra nei

Tena hoki koutou ki te mana whenua o Ngati Whatua

Ki nga rau Rangatira ma...tena koutou

Kei a koutou kua tae mai i runga i te Taumata Tangata

Tena koutou katoa

E te Primia

Tena koe

Prime Minister, Participants and Colleagues: I am delighted to welcome you to Knowledge Wave 2003 – The Leadership Forum. I do so on behalf of my fellow Trustees, the Executive Board of the Trust, the Advisory Board and our valued sponsors. We are especially pleased that so many members of the New Zealand diaspora have been able to join us, as we are that we have in our midst 100 emerging leaders selected for the impact they are already making within their communities, their businesses and the other organisations to which they belong. We are indebted to the local newspapers throughout New Zealand and their editors, who were responsible for identifying and selecting fifty of these emerging leaders. Might I also, on behalf of all participants, thank our many speakers and panel members for agreeing to share their expertise with us over the next two days.

In 1999 and 2000 the phrases ‘Knowledge Society and Knowledge Economy’ gained political and public currency in this country. The 2001 ‘Catching The Knowledge Wave Conference’ was a response to this. At that time we felt that these expressions were being used freely, but without any broad public consensus about what they were intended to describe. As a result we concluded that policy design, organisational reactions, and most particularly individual reactions would benefit from a public, contestable exploration.

That Conference was designed around five themes: Innovation and Creativity; People and Capability; Sustainable Economic Strategies; Entrepreneurship; and Social Cohesion and The Knowledge Divide. There was a strong emphasis on the experiences of other small, developed countries, with the presentation of many case studies relevant to the themes. The event, which received strong media attention, generated considerable energy and resulted in a large number of specific recommendations, as well as providing the inspiration for many of the participants to engage in novel and creative ways following the Conference.

When we staged the Conference, our intention was simply to do that. Such was the subsequent enthusiasm of sponsors and many of the participants that The Knowledge Wave Trust was formed. The Trust, its Advisory Board and its Executive, so capably led by Bridget Wickham, have provided a clearing-house for projects and ventures flowing out of the Conference. The 60 or more projects have included the establishment of the Kiwi Expat Association, KEA, generously seeded and led by Stephen Tindall and Professor David Teece, the Social Venture Accelerator formed under the guidance of Andrew Grant and Justine

Munro, the Knowledge Breakfast educational television show, and the Knowledge Wave Roadshow in association with Business New Zealand and other partners. The Trust and its associates have also been responsible for research projects such as an in depth examination of New Zealand's research and development system, studies on foreign investment and talent, and more recent work on capital markets.

A consistent theme of that 2001 event was New Zealand's relatively poor position on the many measures produced by the OECD, and the overwhelming desire that we should aspire to be better placed. The Conference reinforced the Prime Minister's call that we aspire to return to the top half of the OECD within a decade, as measured by economic output (GDP) per head of population, and broadened this to include a range of both economic and social measures. Since then, there appears to have been a high degree of political consensus around these bold objectives. That is pleasing.

What is less pleasing is that there remains too little consensus about how to achieve them, and many would argue, too little urgency and action. While there is general acceptance that there are no 'silver bullets' that will magically deal with the challenges that New Zealand faces, there is perhaps too little recognition that this is precisely why sound policy settings and vigorous, purposeful action on numerous fronts is required over extended periods of time.

I said at the conclusion of the 2001 Conference that we needed 'to be challenged by new approaches: to our societal incentives (as we need to develop better expertise in their design); to the design, shape, processes, inter-relationships and efficiency of our institutions public and private; to

our workplace approaches, to the challenges of radically improving our capital and labour productivity; to our investment in and procurement of our human capital (our talent) and our physical capital, to our education performance from early nurturing to life-long, to our research, its development and our innovation system, to our technology base and its creative uses and applications, to our race relations, to the health and welfare of our society, to our conversations, to our external relations and trade opportunities and much more’.

While there has been progress in some of these areas, the key points in that summary remain valid today and are primary issues for this Leadership Forum.

For although New Zealand is enjoying relatively strong rates of economic growth at present, there is little evidence in the Treasury’s and other agencies’ forecasts that the step-up in medium term growth rates necessary to achieve the top half goal in GDP per capita by 2011 is imminent (that will require one to two per cent over the medium term forecast trend rate of around 2.5 per cent). Are there structural impediments, or is there more we could do now to create a sounder platform and vision for the way this country will develop? Certainly, recent polling would suggest that there is, at the very least, a need for compelling articulation of a growth strategy to inspire the necessary levels of confidence and action.

Another interpretation of that polling is we have yet to put in place the policy settings and societal incentives to improve the probability that the required step-up in productivity rates, wealth creation, and economic growth will be realised.

Many of our speakers will address these questions from varying perspectives – economic, social, constitutional, from the outside looking in and the inside looking out.

But this is not just an abstract argument about economic performance. The underlying social fabric of our society is of deep concern. Many of you will be well aware of the disturbing social statistics that amplify the scale of the challenges we face as a nation.

For example: notwithstanding corrections by the OECD to their recent findings, New Zealand's rates of youth suicide, juvenile crime and substance abuse remain far too high by developed world standards. Too high a proportion of our youth is emerging from the education system without any form of qualification. This proportion is strongly correlated by socio-economic status and even more strongly by ethnicity, as Professor Hattie will graphically demonstrate in his presentation tomorrow. The high incidence of diseases of poverty in sections of our urban and rural communities is further evidence of why we cannot afford to be complacent about our current performance, no matter how much more encouraging it may seem than at other times in the recent past. Nor can a Forum of this kind ignore underlying questions of nationhood and international self-expression.

Individuals and institutions, including the Government, are designing and pursuing numerous and diverse initiatives to address these and many other pressing issues. However, we have to be able to ask not only whether these are enough, but also whether the frameworks and incentives being developed are good enough to achieve the outcomes we

require. And we need to be able to do so through public dialogue, in arenas that are open and respectful, where no possible answer is ideologically foreclosed, and where the quality of the arguments and proposals advanced can be weighed and, where appropriate, taken forward for careful evaluation. And this must be a mature discussion, in which personality politics and publicity seeking prejudice are left at the door.

The pressing need for persistent scrutiny, quality debates, and greater momentum relative to OECD measures - combined with a key recommendation from the 2001 Knowledge Wave Conference favouring a gathering of leaders - gave rise to this Forum.

We resolved to assemble a group of leaders from across the spectrum of our society and to design a Forum where, in part, these issues could be explored in greater detail. But we were looking for more than that. We wanted to provide an occasion where each participant might deepen their understanding of different perspectives – local, international and cross-sectoral, by engaging in a focused way leaders in other fields, with whom they might rarely commune in regular life. In doing so, participants would gain new insights into the nature of leadership itself, develop new networks, new understandings, and we hope new inspiration for action.

Indeed, we were looking for more than that again. For, as I have observed elsewhere, the responsibility for taking action falls to leaders. I heard it said the other day that ‘the greatest poverty is the poverty of leadership’. You may, at first glance, be inclined to disagree, but I invite you to reflect upon it. Leaders’ skills and attributes are as necessary to running community and educational organisations as they are to running

corporations or countries. While it may be fashionable to think that leaders are born, not made, the reality is that leadership succeeds where its importance is recognised and nurtured. When leaders are given the chance to interact, learning from one another's experiences and finding their common connections, a society can quickly grow its collective capacity for action. This is a fundamental aspiration of the Leadership Forum.

Professor Putnam from Harvard, who will address us on Friday morning, describes social capital as: 'connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them'. My colleagues believe there is an unmet need in this society to develop greater capacity for effective, focused action if the admirable aspiration, 'top half of the OECD across the spectrum of economic and key social measures by 2010', is to be achieved. Each of us can contribute to this, the more so if those norms of 'reciprocity and trustworthiness' can be furthered through the social and networking relationships developed at this Forum.

'Leadership' and 'Networks among Leaders', therefore, are over-arching themes of this Forum. The Forum is structured to link these themes to the three core themes: economic growth, knowledge and community. Our plenary session speakers have been briefed to use their knowledge and expertise as catalysts for the panel, breakout and informal sessions. The background papers should also inform these sessions. Our case studies are designed to provide insights from local and international experience that may spark and assist you beyond the Forum. All of this will work if each one of us is committed to engaging in open, robust debate in an environment of mutual trust and respect. This responsibility is the only

request the Trustees have asked me to make of you over the next three days! Above all we want you to be challenged by the Forum, to participate fully and freely, and to enjoy it.

May I conclude by reminding you of two quotations. The first is the observation of Bill Emmott, who will address us by video-conference link tomorrow, made in response to a question from an NBR reporter: ‘They (*gatherings such as this*) can work well when they genuinely become a focus for debate, when they provoke real public discussion among elites and the popular domain – but not if they happen in isolation and don’t produce dissent’. The second is Nelson Mandela’s description of the art of leadership (to be found in the background papers): ‘A leader...is like a shepherd. He/She stays behind the flock, letting the most nimble go out ahead, whereupon the others follow, not realising that all along they are being directed from behind’. The challenges are yours.

Ko te kai a te rangatira, he korero

The food of chiefs/leaders is talk

E kore e taea te oranga mo te tangata i te aroha me te pipi anake

We can no longer live on love and pipi

No reira

tena koutou